

SOUTHWEST FISHERIES SCIENCE CENTER
FIRST QUARTER REPORT-FY 2002
For the Period October - December 2001

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Title of Accomplishment or Milestone: Amendment 10 to the CPS Fishery Management Plan: fleet harvesting capacity and limited entry permit transferability in the CPS finfish limited entry fishery.

Current Status of Accomplishment or Milestone: Sections of Amendment 10 to the CPS FMP that analyze harvesting capacity goals and limited entry permit transferability issues in the CPS finfish limited entry fishery have been completed.

Background: Following enactment of the CPS Fishery Management Plan, the Pacific Fishery management Council expressed concern that the number of vessels that were expected to qualify for a limited entry CPS finfish permit would result in excess harvesting capacity in the fishery. The Council directed the Coastal Pelagics Species Management Team to conduct an analysis that would lead to the establishment of a harvesting capacity goal for the limited entry (L.E.) finfish fishery. The analysis would also address finfish LE permit transferability.

Purpose of Activity: (1) To identify a preferred harvesting capacity goal for the CPS finfish fishery and the fleet capable of achieving that goal under normal conditions, with a reserve harvesting capacity associated with some peak availability of fish, unique environmental conditions which enhance effort production, or peak demand for output. (2) To determine if LE permit transferability can facilitate a modernized, more efficient fleet -- in terms of optimizing vessel operations over the suite of CPS fisheries opportunities -- while meeting the CPS finfish harvesting capacity goal.

Description of Accomplishment and Significant Results: The analysis of harvesting capacity found that under what might be considered typical or normal operating conditions -- harvesting capacity based on average finfish landings per trip and average number of finfish trips per year -- the 65 vessels initially comprising the finfish limited entry fleet would have sufficient capacity to harvest the expected long-term average aggregate finfish harvest target level (110,000 mt annually), which was deemed a reasonable capacity goal for the fishery. This 65 vessel fleet would also have peak capacity -- harvesting capacity based on maximum finfish landings per trip and maximum number of finfish trips taken per year -- to harvest the maximum potential amount of finfish (275,000 mt annually), that amount associated with peak period availability of fish, environmental conditions which are most favorable to effort production, and peak demand for output. This "excess capacity" could otherwise be directed towards the harvest of squid and tuna.

To accommodate fleet modernization and potential efficiency gains permit transferability would be allowed on a one-for-one basis in cases of vessels with comparable harvesting capacity. Transfers from a smaller vessel to a larger vessel would require combining the smaller permit with another permit for placement on the larger vessel. Under this restricted transferability

approach harvesting capacity would be fixed at the desired goal (see above), but the number of vessels corresponding to that capacity level initially awarded permits would only be a maximum. By allowing permits to be combined up, the number of vessels initially issued permits could be reduced.

Significance of Accomplishment: It is important to note that the ability of vessels participating in the CPS finfish fishery to harvest alternate species alleviates the need to reduce the size of the limited entry fleet. CPS finfish purse seine fisheries off California are flexible and accommodate significant changes in resource availability and market demand. When CPS finfish are unavailable or market conditions for CPS finfish are not favorable, CPS purse seine vessels tend to switch to alternative species, primarily market squid, tunas, and herring, and utilize capacity that otherwise might be considered latent in the CPS finfish fishery.

Authorizing LE permit transferability on a restricted basis will encourage and allow for changes in fleet structure that would lead to increased operating efficiencies over the suite of CPS fisheries opportunities. This approach lets market forces (rather than policy decisions) be the guiding force in determining optimum fleet configuration across all CPS vessels' fishing opportunities.

Problems: None

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